

ATTORNEY GENERAL

STATE OF MONTANA

Steve Bullock
Attorney General



Department of Justice
215 North Sanders
PO Box 201401
Helena, MT 59620-1401

June 25, 2009

Ms. Christine P. Richards
General Counsel, FedEx Corporation
3610 Hacks Cross Road
Memphis, TN 38125-8800

Mr. Richard G. Murphy, Jr.
Sutherland, Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, DC 20004-2415

Re: Classification of FedEx Ground Drivers

Dear Ms. Richards and Mr. Murphy:

The Attorneys General of Iowa, Kentucky, Missouri, Montana, New Jersey, Ohio, Rhode Island, and Vermont write jointly to express our common concerns regarding the proper employment classification of FedEx Ground drivers. As you know, the issue of FedEx Ground's employment classification practices is currently undergoing review in a number of forums. While we are interested in the outcome of those proceedings, we believe that the states have important and unique interests that are not adequately addressed in those cases. In order to bring our states' concerns to the forefront, we have formed a working group to determine how best to represent those interests and ensure they are taken into account when the company considers any changes to its current business practices.

Each of our states has a responsibility under our respective laws to protect a broad range of interests associated with the employment status of an individual. For example, workers' compensation insurance is uniquely a state law issue. Likewise, unemployment insurance, wage and hour protections, and civil rights protections are commonly enforced through state proceedings. The proper funding of such

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programs, as well as the assurance that employees have the protections the law affords, is dependent upon proper employment classification. While employment laws are unique to each jurisdiction, each state is committed to ensuring proper employment classification for purposes of the state employment programs we administer. In addition, the states are committed to a final resolution of the employment classification issue.

A number of states have independently initiated administrative processes to address your employment practices. Some have already been in touch with you about these issues. However, in light of our common goals, we believe that efficiencies for the company and the states will best be served if we work together in addressing changes in FedEx Ground's business model to ensure proper classification of workers, and making the states whole for past practices. At this time, the lead contacts for our group are Montana and Ohio. We encourage you to contact either of them to discuss these matters and any next steps the parties may entertain.

Sincerely,



TOM MILLER
Iowa Attorney General



JACK CONWAY
Kentucky Attorney General



CHRIS KOSTER
Missouri Attorney General

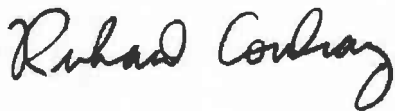
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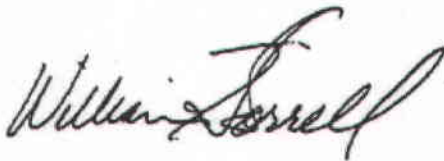
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